

Dollar Crisis Was Exacerbated by Congress' Inability To Get the Balanced Budget Amendment Passed."

Here is the Independent, also a British publication.

\* \* \* defeat of the balanced budget amendment only reinforced in foreign eyes Washington's reputation for incurable fiscal profligacy. And most important of all, the tectonic plates of interest rate expectations have abruptly shifted.

AFX News. I confess I do not know where that is from.

I think some of the support the dollar got from the election of the Republican Congress has faded with the defeat of the balanced budget.

Quoting some analyst here.

Here, from Singapore, the Straits Times.

The dollar's fall began last Friday, after Federal Reserve Board member, Mr. Lawrence Lindsay, told reporters that the yen-dollar rate had not reached a "critical level."

It coincided with the failure of the U.S. Senate to pass a constitutional amendment requiring a balanced Federal budget.

The failure was seen as a lack of political will by the United States to tackle its twin deficits—budget and trade deficits—widely seen as among the factors contributing to the weak dollar.

And the stories go on. Here is one from Japan, the Daily Yomiuri.

The move was accompanied by news that the U.S. Senate voted down an amendment to the U.S. Constitution that would have forced balancing of the national budget by 2002. This combination caused the mark to soar, followed by the surge of the yen.

And the stories go on.

Clearly we have the ability here to get ahold of this thing. We ought to do it for the future of our country. But it is affecting us right now, and I hope in some way we can find one more Member of the U.S. Senate who will vote for a constitutional amendment. I think when that happens, if that happens, you will see a reversal. Obviously, I cannot predict and guarantee this. But the evidence is pretty overwhelming. You are going to see a reversal of what has happened to the dollar.

I hope we do the sensible thing.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SIMON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### MINIMUM WAGE

Mr. SARBANES. Mr. President, the time is long overdue for the Federal Government to establish a realistic wage standard for the American worker. The real value of the minimum wage has deteriorated markedly since 1979. At its current level of \$4.25 per hour, the minimum wage will fall to its lowest real value in 40 years if Congress fails to take action. In the late

1950's the real value of the minimum wage was worth more than \$5 per hour by today's standards and in the mid-1960's it peaked at \$6.28. However, because Congress has failed to respond to inflation over the last 20 years, the real value of the minimum wage is now 27 percent lower than it was in 1979, and has fallen by almost 50 cents since 1991.

The decrease in the value of the minimum wage has widened the gulf between rich and poor, making it even more difficult for hard-working families to make ends meet. In 1993, I strongly supported President Clinton's expansion of the earned income tax credit [EITC] which raised the income of 15 million households—helping many families rise above the poverty line. Today a family of four with one worker working year round, full-time at the current minimum wage would earn \$8,500 and receive a tax credit of \$3,400 for a total annual income of approximately \$14,700. The Congressional Budget Office [CBO] estimates that in 1996 the poverty line for a family of four will be \$16,092. Therefore, under the current minimum wage, workers can work full-time for an entire year and still fall \$1,300 below the poverty line.

One of the most common arguments put forth by opponents of the minimum wage is that an increase would ultimately rob the economy of jobs and income. The idea is that by increasing the minimum wage, businesses will have to pay fewer workers more, resulting in lower employment rates. Recent evidence has indicated that this argument is seriously flawed. A 1992 study by Princeton economists David Card and Alan Kruger in New Jersey found "no evidence" that a rise in New Jersey's minimum wage reduced employment. In fact, just the opposite was true. Card and Krueger's research indicates that "the increase in the minimum wage increased employment." These findings were echoed by Nobel Prize winning Economics Professor Robert Solow of MIT when he stated, "The main thing about minimum wage research is that the evidence of job loss is weak."

Mr. President, it is clear that the American economy can afford a reasonable increase in the minimum wage. In fact, it stands to reason that more money in the pocket of the American workers means that more money is being spent and purchasing power is increased. As Henry Ford so aptly stated, "If you cut wages, you just cut the number of your customers."

In debating the economic value of this important policy decision, we must be careful not to overlook what I believe to be the heart of the matter—the American worker. Historically, Congress has acted to ensure minimum standards of decency for working Americans. Measures to protect workers from unsafe and unfair working conditions were enacted under the belief that, as a society, we should support a basic standard of living for all

Americans. It is in this spirit that minimum wage laws have been updated through the years. It is my strongly held view that these actions appropriately reflect the values and beliefs at the very core of our society—the idea that if you work hard and play by the rules, you deserve the opportunity to get ahead.

As long as we fail to act, we send the message to working families across the country that hard work and sound living is not enough. According to the Bureau of Labor Statistics, two-thirds of all minimum wage earners are adults who are struggling to achieve a decent standard of living for themselves and their families. The objective of the minimum wage is to make work pay well enough to keep families out of poverty and off Government assistance. An hourly rate of \$4.25 is not enough to cover the average living expenses of a family of four. It is unthinkable to me that in what is arguably the wealthiest Nation in the world, there are families out there right now trying to choose between buying groceries for their children or heating their homes.

As the Senate prepares to take up the debate on welfare reform, it is important to note that the Bureau of Labor Statistics estimates that three out of every five workers earning the minimum wage or below are women—and the current minimum wage falls significantly short of enabling single mothers to achieve self-sufficiency. How can a single mother be expected to be able to provide food, clothing, shelter, medical care, and child care on \$4.25 an hour? In my view, instead of maintaining barriers to work, we should be helping to tear them down.

Mr. President, Americans want to work. They want to be able to adequately provide for themselves and their families. But they are working for less and are becoming increasingly frustrated in the process. It is critical that we recognize the reality of minimum wage earners and take steps to help them rise above poverty. President Roosevelt once called for "a fair day's pay for a fair day's work." The American worker deserves no less, and I urge my colleagues to join me in supporting efforts to increase the Federal minimum wage.

#### EPA DRINKING WATER REGULATIONS SHOULD PROGRESS

Mr. KOHL. Mr. President, I rise today to express my displeasure with action taken by the Senate Governmental Affairs Committee.

Yesterday, in their markup of regulatory moratorium legislation, on a party-line vote, the Governmental Affairs Committee rejected an amendment by Senator GLENN to allow long-overdue EPA regulations protecting citizens from parasite contamination in drinking water to move forward.

Mr. President, just under 2 years ago, my colleagues will perhaps remember